

# Joseph P. Vincent, Jr.

*Certified Public Accountant and Consultant  
A Professional Accounting Corporation*

*Member*

*American Institute of Certified Public Accountants  
Louisiana Society of Certified Public Accountants  
Association of Certified Fraud Examiners*

*13621 Shortridge Ave.  
Baton Rouge, Louisiana 70817  
Telephone (225) 756-0970*

December 2, 2008

To the Members  
Chesteen & Associates, LLC

I have reviewed the system of quality control for the accounting and auditing practice of Chesteen & Associates, LLC (the firm) in effect for the year ended July 31, 2008. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on my review.


My review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During my review, I read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on my assessments, I selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, an audit performed under *Government Auditing Standards*. Prior to concluding the review, I reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of my review. I believe that the procedures I performed provide a reasonable basis for my opinion.

In performing my review, I obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, I tested compliance with the firm's quality control policies and procedures to the extent I considered appropriate. These tests covered the application of the firm's policies and procedures on selected

engagements. My review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In my opinion, the system of quality control for the accounting and auditing practice of Chesteen & Associates, LLC in effect for the year ended July 31, 2008, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

As is customary in a system review, I have issued a letter under this date that sets forth comments that were not considered to be of sufficient significance to affect the opinion expressed in this report.

  
Joseph P. Vincent, Jr., CPA

CHESTEEN & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

H.E. Chesteen, III, CPA  
Rhonda G. Whittington, CPA  
Thomas J. Beck, CPA

Members of  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

December 22, 2008

Society of LCPAs  
Peer Review Committee  
2400 Veterans Blvd.  
Suite 500  
Kenner, LA 70062

Ladies and Gentlemen:

This letter represents our response to the report and letter of comments issued in connection with the review of our accounting and auditing practice for the year ended July 31, 2008. The matters discussed herein were brought to the attention of all personnel at a training session held on December 19, 2008. In addition, the matters discussed in this letter will be given special emphasis in our monitoring procedures.

Non-Engagement Partner Review-We have amended our firm's policies and procedures to require non-engagement partner review of all audit and review engagements. We have also taken special note of the matters brought up by our peer reviewer regarding the omitted title in the auditor's report and the omission of the reference to the footnotes on the financial statements. In addition, we reviewed profession standards regarding management representation letters in review engagements and the criteria for classifying an event as an extraordinary event. We believe that requiring a non-engagement partner review of audit and review engagements before issuance will insure compliance with professional standards on future engagements.

We believe these actions are responsive to the findings of the review.

Sincerely,

*Chesteen & Associates, LLC*

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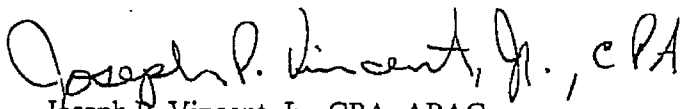
December 2, 2008

To the Members  
Chesteen & Associates, LLC

I have reviewed the system of quality control for the accounting and auditing practice of Chesteen & Associates, LLC (the firm) in effect for the year ended July 31, 2008, and have issued my report thereon dated December 2, 2008. That report should be read in conjunction with the comments in this letter, which were considered in determining my opinion. The matters described below were not considered to be of sufficient significance to affect the opinion expressed in that report.

Comment - The firm's quality control policies and procedures do not require non-engagement partner review of audit and review engagements before issuance. As a result I noted several departures from professional standards on an audit engagement and on a review engagement. The audit engagement omitted the required title on the auditor's report and the financial statements omitted a reference to the notes. The representation letter on the review engagement omitted several required management representations. In addition, the review engagement presented and disclosed an event as an extraordinary event when the event did not fit the criteria of an extraordinary event. These matters were not considered significant.

Recommendation - The firm should review its policies and procedures regarding partner review of engagements before issuance. Once this review is completed the firm should implement procedures to require non-engagement partner review of audit and review engagements before issuance.

  
Joseph P. Vincent, Jr., CPA, APAC